

Corporate Social Responsibility Activities

The Osaka Gas Group CSR Charter

The Osaka Gas Group's fundamental management principle is to allocate top priority to maximizing value for customers in pursuing Value Creation Management that enhances value for all stakeholders, including customers, shareholders, society and employees. We believe that the pursuit of Value Creation Management is a basic part of fulfilling our corporate social responsibility (CSR). In April 2006, we inscribed these principles in the Osaka Gas Group CSR Charter to clarify our philosophy and approach with regard to CSR. In July, we created a framework for the promotion of CSR, setting up the CSR Promotion Group and the CSR Committee, and at the same time appointing executives to oversee CSR activities as a whole. These measures have enabled us to engage proactively in appropriate CSR activities.

■ Principles of the Osaka Gas Group CSR Charter

(see page 19 for full text)

- I. Maximize value for customers
- II. Harmonize with the environment and contribute to the sustainable development of society
- III. Communicate with and contribute to society
- IV. Promote legal and social compliance and respect human rights
- V. Use business management methods that encourage the personal growth of employees

To enhance the value for society provided by our business, we strive to decrease the environmental impact of energy utilization by promoting more widespread and sophisticated use of environment-friendly natural gas. We also enhance the transparency of our management through thorough compliance with laws and regulations and information disclosure. Along with these efforts, we promote the well being of society by revitalizing communities through our corporate activities. Our activities in these areas are published annually in our Sustainability Report. In addition, we are taking steps to improve implementation through means such as holding regular meetings of the CSR Committee, and establishing environmental goals for each section of our organization.

Reducing Environmental Impact

Through efforts that include promoting energy conservation activities and encouraging the use of recyclable resources, we work to reduce the environmental impact of our business, while also contributing to the reduction of environmental impact in general through our products and services. Moreover, through our development and promotion of environment-friendly technologies and systems, we are actively contributing to the improvement of the environment regionally, nationally, and around the world.

- We aim to reduce the carbon dioxide emissions of our plants, offices, and other facilities to 15.4g of CO₂ per cubic meter of gas sold by fiscal 2009. This represents a 38% reduction from fiscal 1999.

- Using fiscal 2005 as a base line of 100, we are targeting a reduction of carbon dioxide emissions per kWh by our electric power generation business to 70 or less by fiscal 2011.
- Our goal for decreasing carbon dioxide emissions from the cogeneration systems or gas air conditioners of our customers is 2.15 million tons of CO₂ in fiscal 2009.

Compliance

As a Group, we believe that implementation of thorough compliance provides an essential base for fulfilling corporate social responsibility. In 2000, we formulated the Osaka Gas Group Code

Code of Conduct as a Good Corporate Citizen:

- Respect human rights, and do not discriminate against our customers and employees based on race, religious beliefs, sex, social status or family lineage.
- Consider the environment in every sphere of business activity and attain environmental targets by preventing emissions of harmful substances and recycling waste.

Code of Conduct in Gas Production and Supply:

- Put customer satisfaction first to respond quickly and appropriately to customers' requirements. Strive to earn customer trust by enhancing safety and quality, consistently performing a professional service that delivers on the basics so that our customers can use the gas and other energy we supply safely and conveniently.
- Ensure the safety of customers as the top priority in the production and sale of products as well as construction work. In the event of an accident, immediately find the cause and make every effort to prevent a reoccurrence by taking appropriate measures such as recalling products and issuing warnings.

Code of Conduct for Business Transactions:

- Conduct business transactions not only in accordance with the antimonopoly law, but also in a consistently just manner.
- Conduct transactions in a fair-minded manner and in accordance with the requirements of applicable laws and regulations, and do not take advantage of a superior position over transaction partners if one exists.
- Keep promises to customers to establish and deepen a relationship of trust in good faith.
- Socializing with business associates should be conducted with moderation and common sense in compliance with the law.

Code of Conduct for Information Management:

- Manage information appropriately so that customer information is not leaked. Disclose management information in a timely and appropriate manner.
- E-mail, the Internet, and other information systems should be used properly in accordance with rules.
- Manage our intellectual property appropriately and do not infringe the intellectual property of others.

Code of Conduct in the Workplace:

- Strive constantly to create a workplace where employees work comfortably with mutual respect.
- Do not discriminate against or treat unfairly employees in their wages and benefits regardless of the type of employment.

Code of Conduct in Society:

- Transactions and sharing of profits with groups that show antisocial behavior is strictly prohibited.
- Develop a correct knowledge of taxes, implement an appropriate accounting system, and pay taxes fairly.

of Conduct to achieve strict compliance with all applicable legal requirements by all the members of the Osaka Gas Group, including the directors and employees of Osaka Gas and its subsidiaries and affiliates. In 2003, we established the Compliance Committee—renamed the CSR Committee in July 2006—which includes outside specialists. The same year we also took measures to further promote and firmly establish compliance as part of our corporate activities, putting in place the Compliance Department to handle the promotion of compliance, and the Compliance Desk as the point of contact for internal reporting of compliance-related issues.

The Code of Conduct defines the behavior standards of the Osaka Gas Group according to the following items. All Group members are made well aware of its contents.

Community Activities

The Osaka Gas Group believes contributing to society and deepening its connection with customers is its corporate mission and crucial to future development. In line with this belief, we are contributing and returning benefits to society through the establishment of foundations that encourage our employees to make contributions to local communities as a corporate citizen as well as to promote welfare and international exchange.

Since 1991, Osaka Gas has backed the volunteer activities of its employees by providing information and putting in place support systems in terms of time, money, and facilities. For example, the community leave system was created to allow employees to take time off to participate in community events and support local sports and cultural exchange activities. Over the past 10 years, the community leave system has been used on about 150 different occasions. The community gift system was started to provide financial support for events as well as the purchase of equipment and materials for groups and individuals that contribute to improving the welfare of local communities, such as supporting handicapped people and the elderly, taking care of infants and children, and cleaning activities. It has contributed on about 180 different occasions over the past 10 years.



The Osaka Gas Group Welfare Foundation conducts health-promotion initiatives.

Established in 1985, the Osaka Gas Group Welfare Foundation has worked closely with local communities in promoting care initiatives and providing financial assistance for research and surveys targeting the elderly. It also promotes initiatives to maintain and improve the health of the elderly. Founded in 1992, the Osaka Gas Foundation of International Cultural Exchange provides educational support to elementary, junior high schools, high schools, and universities in natural gas producing nations in Southeast Asia by supplying educational materials, providing assistance for research in natural gas-related technologies and environmental technologies, awarding scholarships to high school students and university students, and assisting in the training of technicians and researchers.

Inclusion in Socially Responsible Investment Indexes

As a result of the previously mentioned CSR activities of the Osaka Gas Group, we were included in the following socially responsible investment (SRI) indexes as of March 31, 2006.

- FTSE4Good Index Series
- Ethical Index Global (E. Capital Partners)
- Morningstar Socially Responsible Investment Index
- KLD Global Climate 100 Index (KLD Research & Analytics, Inc.)



In recognition of having attained FTSE's international CSR standards, the Osaka Gas Group was included in the FTSE4Good Index Series.



An elementary school in Indonesia to which Osaka Gas contributed teaching equipment